

Minnesota Forest Resources Council
Minutes
MnDOT Training and Conference Center, Shoreview
May 16, 2012

Members Present: Bob Stine (Chair), Greg Bernu, Forrest Boe, Wayne Brandt, Alan Ek, Dale Erickson, Jan Green (alternate for Gene Merriam), Darla Lenz, Bob Lintelmann, Bob Owens, Dave Parent, Shawn Perich, Kathleen Preece, Mary Richards, Susan Solterman Audette, Mike Trutwin

Members Absent: Shaun Hamilton, Gene Merriam

Staff Present: Dave Zumeta, Lindberg Ekola, Calder Hibbard, Leslie McInenly, Rob Slesak, Clarence Turner

Guests: Susan Burke (DNR), Anna Dirkswager (DNR), Stephen Handler (NIACS), Tom Landwehr (DNR), Dick Rossman (DNR), Al Sullivan, Chris Swanston (NIACS), Barb Tormoehlen (USFS S&P), Bruce ZumBahlen (MFA), Amy Zumeta

Chair's Remarks

Bob Stine opened the meeting with a round of introductions and welcomed new Council members.

Public Input/Communication to the Minnesota Forest Resources Council

Al Sullivan, former MFRC Chair, greeted the Council; he was looking forward to listening to current issues under consideration.

Approval of March 21, 2012 Meeting Minutes*

Mike Trutwin moved, and Mary Richards seconded, the March 21, 2012, meeting minutes. *The minutes were unanimously approved.*

Approval of May 16, 2012 Meeting Agenda*

Mike Trutwin moved to approve the May 16, 2012, meeting agenda. Wayne Brandt seconded the motion. *The agenda was unanimously approved.*

Executive Director Remarks

Dave Zumeta noted that the legislative session recently concluded. The MFRC was charged with an assessment of private forest land management (M.S. Chapter 272, Sec. 92); a report is due to the legislature by January 15th. Wayne stated that changes in state and federal budgets have resulted in reduced funding for private forest management (PFM) programs. The intent of the study is to look at PFM programs, policies and accomplishments and provide policy recommendations. The legislature did not provide funding for the evaluation; funding sources are being sought. Wayne stated that Minnesota Forest Industries will commit some funding for the study.

Committee Reports

Personnel and Finance

Bob Stine reported that the committee has not met. The committee will meet on June 15th.

Site-Level

Dave Parent reported that the Site-level Committee has not met since the last Council meeting. The committee is awaiting a report from the Information Management Committee (IMC) regarding recommendations to address invasive species via forest management guidelines or through a more comprehensive approach.

Landscape Planning/Coordination

Lindberg Ekola distributed an update from the Landscape Committee. He reported that committee members had a very vibrant discussion about landscape stewardship at the last meeting.

Forest Resources Information Management

Kathleen Preece reported that the IMC has been quite busy. The committee met May 2nd in Duluth; discussion was focused on teeing up today's agenda in response to the Council's March discussion regarding invasives species.

Written Communications to the MFRC

None.

Committee of the Whole: Request for advice relative to improving the state of Minnesota's contribution to the global competitiveness of the forest products industry

Tom Landwehr, Minnesota Department of Natural Resources Commissioner, thanked the Council for the opportunity to bring this request to members for consideration. He noted that Governor Dayton is very interested in supporting job creation and stated that there are opportunities for the DNR to better support the forest products industry. Tom reviewed recent action taken to revisit policies and mechanisms related to fulfilling trust fund responsibilities on school trust lands, the Department's plans to revisit the Subsection Forest Resource Management Plan process, and the establishment of a commissioner-level sub-cabinet focused on the promotion of economic development (there is a forestry group within the sub-cabinet).

Tom noted that the industry is fairly healthy but very dependent on state lands. He acknowledged concerns about the continuing availability of timber. The state depends on the industry to support forest management. When the state loses an operation, we lose management capacity.

Tom requested Council suggestions regarding research and development opportunities related to timber. He used the example of the Agricultural Utilization Research Institute, which was tasked with finding alternative uses for corn and was quite successful. He also asked the Council to consider additional activities that should be occurring on state lands, opportunities for the DNR to coordinate more closely with other ownerships and agencies to support industry, and to identify potential legislative initiatives.

Mike Trutwin was pleased that the Commissioner is looking into different fiber uses. He noted that capacity of our allowable harvest should be considered, adding that different species have different values. Mike suggested that bio-refining opportunities should be promoted.

Dale Erickson urged the Commissioner to keep the small sawmills in mind. Often unnoticed, the small sawmills supply big industry (Artic Cat, 3M, etc.). One solution is to ensure allowable cuts are met. In the past, this has been met by temporary increases in Forestry staff overtime or the addition of temporary staff; the additional capacity was noticeable. Development of new products is a tough issue. For example, Dale noted the influence of natural gas prices on the biomass industry. He suggested that the state ought to aggressively manage our current resources.

Wayne stated that there has been a significant decrease in small sawmills. Products created by small mills are more closely tied to the general economy. When the oriented strand board industry went down; reduced harvests resulted in fewer tree bole-ends being sent to small mills. He suggested that a Legislative-Citizen Commission on Minnesota Resources (LCCMR) initiative focused on updating stand inventories should be considered. Wayne was also concerned about the lack of general knowledge about forest resources in the state. The MFRC, forest certification, etc., were all outgrowths of the Generic Environmental Impact Statement. The Council budget was once \$1.1 million; it now stands at \$580,000. Wayne suggested that the Council is at rock-bottom with respect to capacity; he was hopeful that the Commissioner would work with the Council and staff to ensure that the MFRC maintains its role.

Dave Parent suggested that the state should focus on the long-term, on silviculture and maintenance of management capacity. Guessing the type of future markets is risky; programs to increase forest health, reduce fuel, and guard against pine bark beetle can produce jobs. Greg Bernu agreed with Dave Parent regarding the workforce needs; however, he stated that the workforce is getting older and centralizing. He suggested we need to be looking at cutting costs. Land exchange is a major opportunity to make land management more cost-effective. Greg stated that the land exchange process should be streamlined. Forrest Boe noted that two proposals have been submitted to LCCMR regarding land exchanges. Similarly, the USDA Forest Service and counties have submitted similar proposals to the LCCMR regarding inventory.

Jan Green commented that the GEIS occurred as a result of public engagement. Public interest is no longer focused on forestry; there are many other big environmental issues. Public interest and passion must be a component of any thought process regarding woods and management. Private landowners want forest management that produces multiple values.

Alan Ek suggested that global competition and trends must be considered (e.g., widening of the Panama Canal will likely take some of the southern wood supply and could be a potential opportunity for Lake States). Investments in silviculture, transportation, and the environmental review process are needed. National and global competitiveness require a more predictable supply. Bob Stine asked Alan about current biosystems/bioproducts research at the University. Alan responded that there is a good deal of research occurring here and internationally. A difficulty has been focusing in on specific markets when so many things can be derived from wood.

Wayne commented on the need to have a good monitoring program to evaluate implementation of voluntary site-level guidelines. He suggested there may be an opportunity to gain efficiencies in the program through better coordination with the various forest certification programs.

Bob Owens stated that the industry has production and consumption problems. Business is a major consumer of forest products (e.g., crating material). By consuming wood from other regions, stronger export markets are better for the Midwest forest industry. Transportation has become a significant factor. Credit availability to small business has continued to shrink and is a challenge for the industry. Wayne added that an upfront sales tax exemption (versus a tax refund) would encourage small business investment; smaller businesses are less likely to apply for a rebate.

Susan Solterman Audette asked Tom to elaborate on why this particular issue was chosen for Council consideration and input. She inquired about the revenue from the forest products industry in comparison to that of the resort and tourism industry. Tom replied that financial status is not a driving factor in determining why the DNR takes specific actions. He stated that timber management has many benefits (recreation, wildlife, jobs, spiritual enhancement, etc.) and suggested that, in light of the various environmental benefits, an evaluation of the appropriate funding string for forest management could be one of the items the Council could address. Alan stated that forest products sales generate about \$10 billion while tourism generates roughly nine billion dollars for the state. Outstate tourism revenue is roughly two billion dollars.

Dave Zumeta commented that property taxation has a huge impact on the tourism industry. He suggested that the taxation of forestland, across all ownerships, should be considered and compared to that of agricultural and other business land. Mary Richards added that many resort owners are finding they can make more money by selling their land. As a result, there is less land available for public recreation and an overall decline in the quality of life for everyone in Minnesota. Wayne stated that the retraction of Sustainable Forestry Incentive Act (SFIA) incentives will lead to sales of large forestland ownerships.

Dale thanked Tom for coming to the Council. He noted that the state supplies 30 percent of the land available for timber harvest and stressed that the DNR is in a leadership role.

Susan inquired about state policy for LEED (Leadership in Energy and Environmental Design) certification on government buildings, noting that much of the public land is certified and policy could drive the market. Wayne responded that the State has addressed building certification with various pieces of legislation. LEED also only recognizes one certification program.

Status of Minnesota Climate Change Response Framework development effort

Leslie McInenly provided a brief overview of the Council's role in the coordination of the Climate Change Response Framework (CCRF) in Minnesota. The CCRF is a collaborative effort, initiated by the USDA Forest Service, to incorporate climate change considerations into forest management. The Northern Institute of Applied Climate Science (NIACS) in Houghton, Michigan is the lead organization for the CCRF throughout the eastern United States. In Minnesota, NIACS is coordinating the development of a forest ecosystem vulnerability assessment and tools to help managers identify potential management actions. The MFRC will support implementation of the CCRF through our landscape committees and has helped to bring local expertise into the project. Leslie commented that Chris Swanston and Stephen Handler, both from NIACS, will participate in the Northeast Landscape Planning Committee meeting tomorrow. The Northeast Landscape plan update will be the first effort to incorporate the CCRF into Minnesota's landscape plans.

Chris Swanston briefly reviewed the NIACS collaborative. The organization is a chartered institute, supported by the USDA Forest Service, Michigan Technological University, the Trust for Public Land, and the National Council on Air and Stream Improvement, with the goal to bridge the gap between climate science research and the information and management needs of land owners and managers. The goal of the CCRF is to support climate-smart conservation in the face of inherent uncertainty. Chris commented that Minnesota is fortunate to have the MFRC; cross-ownership coordination is much more difficult in other CCRF regions. He provided an overview of the various CCRF regional projects (Northwoods, Central Hardwoods, and Central Appalachians) and discussed key CCRF components consistent across all of the efforts, including: a vulnerability assessment, partnerships, development of adaptation resources, and demonstration projects.

The Forest Ecosystem Vulnerability Assessment and Synthesis (FEVAS) identifies key ecosystem vulnerabilities under a range of future climate uncertainty. The Forest Adaptation Resources document is a workbook process that provides for practical application of approaches and strategies with respect to management objectives. Chris provided examples of how demonstration projects are advancing in Wisconsin and indicated that NIACS would be interested in pursuing similar projects in Minnesota. Jan inquired about the selection process for demonstration projects. Chris responded that the selection process is open for discussion and requested help in identifying potential sites or partners.

Bob Owens asked about the models used to develop the vulnerability assessment. Chris responded that all models used have been peer reviewed and published as scientific documents. The first chapter of the vulnerability assessment reviews contemporary landscapes and provides background on glaciated periods. He acknowledged that forests in this region are dynamic and commented that the chapter aims to make that point. The specific general circulation models selected were chosen because they work well in this region.

Stephen provided an update on the status of the CCRF project in Minnesota. He reviewed the information that will be included in the FEVAS and members of the science team contributing to the assessment. Over the past year, the science team held a series of meetings to identify the state of knowledge and to develop the vulnerability assessment. Stephen is pulling together a panel of managers and scientists for a meeting in July to interpret and synthesize results of modeling work.

Stephen described an example how the CCRF information was been used in a Wisconsin demonstration project. One important lesson from that effort was the recognition that several of the pre-CCRF management practices already in use at the site have climate change adaptation benefits. Strategies identified by the CCRF provide a range of easy-to-difficult practices (e.g., ranging from plantings to increase the component of local native species that are expected to fare better under future conditions to large-scale cover type conversion).

Further discussion regarding demonstration opportunities for Minnesota, trends observed in the current research, and the uncertainty related to precipitation and hydrological changes ensued.

2011 Site-level field monitoring results

Dick Rossman, DNR Division of Forestry, distributed a summary of 2011 monitoring results as well as copies of his presentation. He reviewed the 2011 monitoring process, which used the same basic

approach as in previous monitoring cycles. In 2011, 84 sites were monitored; ninety percent of sites were in the three northern MFRC landscape regions. As in the past, non-industrial private forestland (NIPF) was under-represented due to difficulties associated with contacting landowners or receiving permission to conduct monitoring.

Overall, application of the guidelines has been good. Specific guidelines that continue to experience good implementation include: the use of filter strips, coarse woody debris (CWD) and snag retention, cultural resource protection, some visual quality guidelines, access control, and checking public records for cultural resources and endangered or threatened species (ETS). Results also indicate substantial improvement in guideline implementation of leave tree retention, riparian management zone (RMZ) implementation, and CWD retention within RMZs. Jan asked whether the distribution (clumped or scattered) or species of leave trees has been assessed. Dick responded that the data has been collected and the information will be evaluated. Jan noted concern that red maple and birch, which often die right away, appear to be over-represented in leave trees.

Guidelines requiring improvements in implementation include: infrastructure, wetland crossings, water diversion and erosion control practices, landing location, biomass fine woody debris (FWD) retention, visual quality, and NIPF pre-harvest planning (e.g., checking ETS records). Only 41% of sites met the infrastructure guideline; this is lower than in past years. Mean infrastructure per site dropped to 3.8%. Small and large harvests were less likely to meet the infrastructure guideline. Wayne suggested that it would be interesting to revisit previous monitoring sites and measure the percent of the infrastructure that has re-grown. Dick replied that nearly a thousand sites have been monitored and could potentially be revisited. Only 10% of all observations (individual locations) reported rutting. On sites with rutting, 50% of that rutting occurred on crossings. Based on professional judgment of the monitoring contractors, 18% of wetland crossings could have been avoided. Rutting occurred on 33% of crossings. This was the first year in which FWD retention was assessed. Of the sites monitored in 2011, only 27% had a biomass harvest. Of those, only 39% retained more than the recommended FWD. Seventy percent of sites retained incidental breakage.

In conclusion, there has been good improvement in the application of some important guidelines. Opportunities for improvement include: avoiding wetland crossings, locating landings outside of wetlands and filter strips, implementing water diversion and erosion control where needed (e.g., segments, approaches, roads in filter strips), implementing FWD retention on biomass sites, and better pre-harvest planning and records checking on NIPF sites.

Overview of invasive species that affect Minnesota forests and trees

Calder Hibbard introduced Dr. Brian Aukema from the Department of Entomology at the University of Minnesota. Calder asked Brian to provide an overview of invasive forest insect species.

Brian reviewed the current distribution of emerald ash borer (EAB) and noted how quickly the infestations have been identified and how effective the sanitation has been. We don't know where the western edge for EAB will be and must continue to track the expansion.

Dutch elm disease is an important threat that receives little attention. However, the banded elm beetle was found about 10-15 years ago in Colorado and can vector the Dutch elm disease fungus. Remaining elm trees, as well as willow species, could be threatened. Many of the resistant elm genotypes appear to be susceptible to the beetle.

Gypsy moth has been in the United States for 125 years. There are two strains of the gypsy moth species. The European strain is the one with which we are all familiar. In the European strain, females can't fly and this has aided slow-the-spread efforts. The Asian strain has not yet been established in North America; however, female Asian gypsy moths can fly up to 20 miles. Additionally, European gypsy moths will eat 300 species whereas the Asian moths will eat 600 species, including conifer.

Mountain pine beetle represents the largest recorded insect outbreak in modern history (40,000,000 acres and counting). Mountain pine beetle will kill 70-100% of lodgepole and jack pine stands. Brian suggested that the mountain pine beetle has the potential to move eastward across Canada via jack pine.

On a positive note, Brian noted that Minnesota has excellent cooperation within the state as well as recognized expertise in invasive species and forest management. Set in the middle of the country, Minnesota also benefits from (inter-)national experience and knowledge regarding many invasives that have hit other places first. Brian suggested the following action steps in response to the threat of forest invasive species: 1) raise awareness, 2) develop best management practices, and 3) support research and training.

Application of Minnesota's noxious weed and plant protection laws to invasive species affecting forests

Tony Cortilet, Minnesota Department of Agriculture Weed Scientist, provided an overview of Minnesota's noxious weed law (M.S. 18.75-18.91). The law applies to all land in the state with the exception of sovereign, tribal land. However, all tribes in the state have a good working relationship with MDA and the weed inspectors.

In 2009, the MN legislature completed a major revision of the statute. Up to that point, the noxious weed law was primarily was an agricultural-centric law. The institution of an advisory committee (M.S. 18.91) was one of the biggest changes. The committee, with diverse representation and expertise, advises the commissioner regarding responsibilities under the noxious weed control program; they evaluate species, develop weed categories for listing species, develop management criteria for each category, recommend where a species is listed and reevaluate the species every three years. The advisory group meets three-to-four times a year.

Currently, there are 18 prohibited noxious weeds, three restricted noxious weeds, and one specially regulated weed. In addition, every county now has authority to list their own noxious weeds (reviewed and approved by county boards).

Tony reviewed Minnesota's plant protection laws, including M.S. 18G.01 which gives the commissioner a wide berth to eradicate or regulate any species that could threaten Minnesota agricultural, forest, or horticultural interests or the general ecological quality of the state. MDA is the lead agency for undetected or detected and spreading species (M.S. 18G, 18H, 18J). Transition of pests from MDA to the DNR occurs when eradication or regulatory efforts are no longer feasible. The DNR is responsible for the management of widespread species and restoration (M.S. 89).

Minnesota DNR invasive species guidelines

Laura Van Riper, Minnesota DNR Terrestrial Invasive Species Coordinator, distributed a handout on DNR Operational Order 113. The order, signed in 2007 by Commissioner Holsten, is the DNR's policy to prevent or limit introduction of invasive species on managed lands. The policy provides a standard for invasive species prevention and for minimizing impacts from invasive species. Each Division must also have their own invasive species guidelines.

The order impacts all DNR staff, all activities contracted by the DNR, as well as any public or visitor activities on DNR lands. The DNR has an internal DNR webpage on Op. Order 113, enabling staff to review Division guidelines prior to engaging in any management activity. The DNR also conducts a great deal of public outreach regarding invasive species and is launching "Play Clean Go", a new terrestrial invasive species outreach program. The DNR has striven to make invasive species prevention a part of the agency's culture. Moving forward, the DNR will continue to conduct timely reviews of the operational order, maintain a strong culture of prevention, ensure that staff has the resources needed to inform activities, and continue public and stakeholder outreach.

Susan asked whether invasive species "hotspots" have been identified in the state. Laura responded that DNR state lands have identified invasive species and staff has uploaded the information to EDDMaps (www.eddmaps.org). Anyone can register and access/contribute to the mapping system.

State of Wisconsin invasive species guideline overview

Tom Boos, Wisconsin DNR Forestry Invasive Plants Coordinator, provided an overview of Wisconsin's invasive species guidelines. Invasive species were identified in 2003 by the Wisconsin Council on Forestry as a top threat to forest resources in the state. As a result, the Council developed four task groups to draft best management practices related to forestry, rights-of-way, recreation and urban forests. The Council made a conscious decision not to develop guidelines for the agricultural community.

Tom reviewed how the Wisconsin BMPs are structured. Each BMP provides a descriptive statement on voluntary practices that may reduce the impact of invasive species and includes additional considerations (e.g., why important, issues, examples, when the BMP may not apply). Common BMP themes include planning, education, cleaning, avoidance, minimizing disturbance and using clean materials. Tom stressed that planning, cleaning and avoidance are very important when it comes to addressing invasive species.

The process used to develop the guidelines was consensus-based; stakeholder buy-in was a critical component. Wisconsin DNR hired a facilitator half-way through the process and has developed a white paper on lessons learned from the process.

Tom highlighted components from the four different BMP tracks, noting that different BMP groups had different audiences and used different language in the development of the guidelines. Tom provided examples of how the BMPs are used. Producers, loggers, mills and taxpayers all face costs associated with invasive species, potentially including costs associated with reduced timber yields, more expenses for control measures, increased logging effort and expense for reduced production, higher stumpage rates, and increased subsidies and cost-sharing support for forestry. However, he

has not heard much from folks regarding the cost of BMPs and likened acceptance of invasive species BMPs to acceptance of erosion control efforts over the past thirty years.

The state of Vermont used Wisconsin's guidelines as a foundation for their own guidelines.

Development of the Vermont guidelines was completed in about six months.

Wisconsin developed invasive species rules (WI Chapter NR 40), similar to the Minnesota Weed Law, in concert with development of the BMPs. Use of BMPs is considered compliance with NR 40; transport, possession, transfer or introduction of an invasive species is not considered a violation if the DNR determines the action was incidental or unknowing and the person took "reasonable precautions". Greg Bernu asked how the conflict between Wisconsin's voluntary BMPs and the mandatory state law has been addressed. Tom replied that Wisconsin is still in a learning phase with respect to the rule and noted that it may be problematic down the line. The relationship was intentionally kept a bit "fuzzy".

Dave Zumeta asked how the voluntary guidelines are perceived by forest certification auditors.

Tom replied that they haven't experienced any problems yet. On county and state lands, BMPs are inserted into logging contracts. Contractors don't have to comply with the BMP manual but they do have to comply with the contract. He also pointed to a letter, placed at the very beginning of the guidelines, requesting that third party auditors recognize the need to set reasonable expectations and goals with respect to implementation and effectiveness of voluntary practices.

Susan asked whether Wisconsin conducted any analysis regarding terrestrial invasive species vectors. Tom replied that a literature review was conducted during BMP development. He noted that recreational groups recognized that their activities could be vectors; ATV stakeholders were great partners in the process. Susan asked whether Wisconsin can close trails or reduce access in areas with a high probability of spread. Tom replied that trail closures are not part of the BMPs; however, there have been occasions in which mountain biking activities have been denied. Shawn Perich commented that enforcement, versus education, has been the approach used to address aquatic invasive species in Minnesota and noted that enforcement hasn't been well received by the general public. He was hopeful that the Council would continue to promote a voluntary approach.

Public communications to the MFRC

Lindberg Ekola distributed a flyer announcing an Oak Symposium to be held at St. Johns University in June and asked Council members to help spread the word.

MFRC Member Comments

Forrest stated that the Division of Forestry experienced a 26% General Fund budget cut in the current biennium. Prior to the cut, the General Fund provided about half of the Division's budget. The Division is reviewing its entire monitoring program and will consider restructuring monitoring efforts and seeking alternative funding opportunities.

Kathleen Preece noted that the Minnesota Sustainable Forestry Initiative Implementation Committee named Erickson Timber Products the 2012 "Logger of the Year".

Mike Trutwin expressed appreciation that the Commissioner is taking a look at promoting jobs from the woods and stated that the information on invasive species was valuable.

Dale Erickson moved, and Mike Trutwin seconded, adjournment of the meeting. *The meeting was adjourned at 3:45 pm.*